

Understanding Incoterms 2020, Customs Process & Trade Financing International and Domestic Trade

2 Days Program

Date : 8 & 9 May 2024 (Wed & Thu)

Venue : Hilton Petaling Jaya Hotel, Selangor

LEARNING OBJECTIVES

By the end of the training, participants will able to:-

1. Understand the purpose of Incoterms in trade
2. Acquired the understanding of the rules of Incoterms
3. Understand the benefit and risk associated with the Incoterms learned
4. Able to implement the knowledge gain to activate the right steps when dealing with such rules
5. Develop ability to choose the proper Incoterms for delivery
6. Understand the risk mitigation process in selling or buying
7. Understand basic Letter of Credit and Documentary Collection payment method
8. Understand the risk and benefit of Letter of Credit and Documentary collection
9. Understand the purpose of Bank Guarantee in International Trade

TARGET AUDIENCE

Key participants which are encourage to attend this program will be those involved in procurement or purchasing, logistics, shipping, sales, warehousing, finance and top management who are keen to understand the benefit and risk of Incoterms.

MODE OF LEARNING & DURATION

Mode of learning is through presentation by the trainer with notes to be provided before the training proper. Brainstorming session and a short case study will be introduced and 20 questions test to be answered after the training and submitted during training.

COURSE INTRODUCTION

Incoterms is the rule of delivery.

Failure to understand the various Incoterms rules created problem for buyer and seller in international or domestic trade.

Common problems faced by many buyers and sellers when conducting domestic or international trade for example;

- a) What will be my risk by using Incoterms that another party chosen?
- b) Is there any benefit to use this particular Incoterms?
- c) What will be my obligation and the other party obligation?
- d) Is this Incoterms allowing me to have better opportunity and less risk as a seller?
- e) Buying with an Incoterms of my choice, how do I decide which one to select?
- f) Am I using the right rules with the Incoterms selected?
- g) What will happen if I use a particular Incoterms but not the rule assigned to it?
- h) How can I guarantee my payment will be paid without delay?
- i) How do I negotiate for the best Incoterms and avoid hidden cost?

These are some of the questions many will be asking.

By attending this program, you will able to decide appropriately the safe mode of delivery and eliminate some of the misunderstanding between buyer and seller.

This program is to allow participants of the program to develop knowledge on the different type of Incoterms, understand the rules, benefit and risk.

Module 1 Origin of Incoterms and Basic of Trade

- International Chamber of Commerce
- History of Incoterms
- Evolution of Incoterms
- Parties in International Trade
- Cargo title – rights of seller and buyers

Module 2 Principal, Types, Key Differences and Purpose of Incoterms

- Learn about the key principle of Incoterms
- Understand the purpose of Incoterms
- Benefit of Incoterms
- Wrong Usage of Incoterms
- Incoterms for Negotiation
- Incoterms for multi modal transport
- Incoterms for Sea and waterway
- Understanding all the rule for a buyer and seller
- Main differences between Incoterms 2010 versus 2020

Module 3 Understanding Kastam and Good Packaging process and other documents

- Kastam policy in treating import duties and sales tax
- Method of calculating import duties and sales tax
- Kastam form used in Malaysia
- Type of cost to consider when choosing Incoterms
- Packaging for delivery
- Documents required for import and export
- Understand Free Trade Agreement and tariff code
- Certificate of Origin and Bill of Lading

1. Understanding EXW, FCA, FOB and FAS Incoterms

- Benefit and Risk with these Incoterms
- Rule of EXW
- Rule of FCA
- Rule of FOB
- Rule of FAS
- Key differences of the Incoterms
- Quiz and Case study

2. Understanding CIF, CFR, CIP and CPT

- Benefit and Risk with these Incoterms
- Rule of CIF and CFR
- Rule of CIP and CPT
- Key differences of the Incoterms

3. Understanding DAP , DPU and DDP

- Benefit and Risk with these Incoterms
- Rule of DAP
- Rule of new Incoterms DPU
- Rule of DDP
- Key differences of the Incoterms
- Quiz and Case study for session 4

Module 4 - Understanding Trade Financing (Letter of Credit, Bank Guarantee and Documentary collection)

- Introduction to Letter of Credit
- Different type of Letter of Credit
- Parties in the Letter of Credit
- Basic Understanding of UCP 600
- Risk of Letter of Credit
- Incoterms rules applicable in Letter of Credit
- Introduction to Documentary Collection
- Documentary against Acceptance versus Payment
- Basic Understanding of UCP522
- Parties in Documentary collection
- Risk of Documentary collection
- Letter of Credit versus Documentary collection, which is riskier
- What is Standby Letter of Credit
- Method of applying Letter of Credit and Documentary collection
- What is SWIFT and how does it affect your trade transaction
- Understand purpose and when to use Bank Guarantee for International Trade